

not limited to, payment by certified funds or wire transfer of FIFTEEN THOUSAND DOLLARS (\$15,000) to Seller.

6.3 FCC and Other Consents.

(a) The FCC Order shall have been issued by the FCC and shall have become a Final Action under the rules of the FCC and applicable law without a material adverse condition affecting Seller.

(b) Conditions which the FCC Order or any order, ruling or decree of any judicial or administrative body relating thereto or in connection therewith specifies and requires to be satisfied prior to transfer of control of the Station to Buyer shall have been satisfied.

6.4 No Adverse Proceedings. No suit, action or governmental proceeding shall be pending against, and no order, decree or judgment of any court, agency or other governmental authority shall have been rendered against, Seller that would make it unlawful for Seller to consummate the transactions contemplated by this Agreement in accordance with the terms hereof.

ARTICLE VII

CLOSING

7.1 Time and Place.

(a) The Closing shall take place on the date (the "Closing Date") that is the later of:

- (i) the fifth business day after the FCC Order becomes a Final Action, or
- (ii) the date as soon as practicable following satisfaction or waiver of the conditions precedent hereunder to Closing.

7.2 Seller's Performance. At the Closing hereunder the Seller will:

- (a) License Assignments. Deliver to Buyer assignments of the licenses, permits and authorizations transferring the same to Buyer in customary form and substance;
- (b) Bill of Sale. Deliver to Buyer a bill of sale and all other appropriate documents and instruments in a form and substance acceptable to counsel for Buyer assigning good and marketable title to the Tangible Personal Property to be sold, free and clear of any liens.
- (c) Leases. Assign to Buyer all of Seller's rights under any ground lease or tower lease as set forth in Schedule 2.1(c).
- (d) Additional Documents. Deliver to Buyer such other documents as counsel for Buyer may reasonably request for the purpose of consummating the transactions described herein.

7.3 Deliveries to Seller by Buyer. At the Closing, Buyer shall deliver or cause to be delivered to Seller the following, in each case in form and substance reasonably satisfactory to Seller:

- (a) **FIFTEEN THOUSAND DOLLARS (\$15,000)** by wire transfer or certified funds.
- (b) Leases. Execute and deliver an assumption of Lease.
- (c) Additional Documents. Deliver to Seller such other documents as may reasonably be requested.

ARTICLE VIII

TERMINATION; LIQUIDATED DAMAGES

8.1 Events of Termination. If Closing shall not have previously occurred, this Agreement shall terminate upon the earliest of:

(a) The giving of written notice from Seller to Buyer, or from Buyer to Seller, if:

(i) Seller gives such termination notice and is not at such time in material default hereunder, or Buyer gives such termination notice and Buyer is not at such time in material default hereunder; and

(ii) Either:

(A) Any of the representations or warranties contained herein of Buyer if such termination notice is given by Seller, or of Seller if such termination notice is given by Buyer, are inaccurate in any respect materially adverse to the party giving such termination notice; or

(B) Any material covenant made or material obligation to be performed by Buyer if such termination notice is given by Seller, or by Seller if such termination notice is given by Buyer, is not timely fulfilled or performed in any material respect; or

(C) Any condition (other than those referred to in foregoing Clauses (A) and (B)) to the obligation to close the transaction contemplated herein of the party giving such termination notice has not been timely satisfied; or

(D) And any such inaccuracy, failure to perform or non-satisfaction of a condition has been neither cured nor satisfied within twenty (20) days after written notice thereof from the party giving such termination notice nor waived in writing by the party giving such termination notice.

(b) Written notice from Seller to Buyer, or from Buyer to Seller, at any time after the 12-month anniversary of date of filing this Purchase Agreement with the FCC provided that termination shall not occur upon the giving of such termination notice by Seller if Seller is at such

time in material default hereunder or upon the giving of such termination notice or by Buyer if Buyer is at such time in material default hereunder.

8.2 Obligations Upon Termination.

(a) Upon termination of this Agreement, other than termination pursuant to Section 8.1(b), each party hereto shall thereafter remain liable for breach or default under this Agreement prior to such termination and remain liable to pay and perform any obligation under this Agreement.

8.3 Termination Notice. Each notice given by a party pursuant to Section 8.1 to terminate this Agreement shall specify the Subsection (and clause or clauses thereof) of Section 8.1 pursuant to which such notice is given.

ARTICLE IX

CONTROL OF STATION

Between the date of this Agreement and the Closing Date, Buyer shall not control, manage or supervise the operation of the Station or the conduct of its business, all of which shall remain the sole responsibility and under the control of Seller, subject to Seller's compliance with this Agreement.

ARTICLE X

10.1 Further Actions. From time to time before, at and after the Closing, each party, at its expense and without further consideration, will execute and delivery such documents to the other party as the other party may reasonably request in order to more effectively consummate the transactions contemplated hereby.

10.2 Payment of Expenses.

(a) Any fees assessed by the FCC in connection with the filing contemplated by this Agreement or consummation of the transactions contemplated hereby shall be paid by Buyer.

(b) All state or local sales or use, stamp or transfer, grant and other similar taxes payable in connection with consummation of the transactions contemplated hereby shall be paid by the party primarily liable under applicable law to pay such tax.

10.3 Notices. All notices, demands or other communications given hereunder shall be in writing and shall be sufficiently given if delivered by courier (including overnight delivery service) or sent by registered or certified mail, first class, postage prepaid, or by telecopy addressed as follows:

If to Seller: Betty S. Daniels
Oakhill Economic Development Corp.
1119 - 7th Street, N.E.
Cedar Rapids, IA 52401

If to Buyer: Mike Facciani
Friendship Communications, Inc.
3232 Osage Road
Waterloo, IA 50703

With a copy to: A. Wray Fitch III
Gammon & Grange, P.C.
8280 Greensboro Drive, 7th Floor
McLean, VA 22102

or such other address with respect to any party hereto as such party may from time to time notify (as provided above) to the other party hereto. Any such notice, demand or communication shall be deemed to have been given:

(a) if so mailed as of the close of the third business day following the date so mailed,
and

(b) if personally delivered or otherwise sent as provided above, on the date received.

10.4 Entire Agreement. This Agreement, the Schedules and Exhibits hereto, and the other Documents constitute the entire agreement and understanding between the parties hereto with respect to the subject matter hereof and supersede any prior negotiations, agreements, understandings or arrangements between the parties hereto with respect to the subject matter hereof.

10.5 Binding Effect: Benefits. Except as otherwise provided herein, this Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors or assigns. Except to the extent specified herein, nothing in this Agreement, express or implied, shall confer on any person other than the parties hereto and their respective successors or assigns any rights, remedies, obligations or liabilities under or by reason of this Agreement.

10.6 Governing Law. This Agreement shall in all respects be governed by and construed in accordance with the laws of the State of Iowa, including all matters of construction, validity and performance, without regard to its principles of conflicts of laws.

10.7 Amendments and Waivers. No term or provision of this Agreement may be amended, waived, discharged or terminated orally but only by an instrument in writing signed by the party against whom the enforcement of such amendment, waiver, discharge or termination is sought. Any waiver shall be effective only in accordance with its express terms and conditions.

10.8 Severability. Any provision of this Agreement which is unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such unenforceability without invalidating the remaining provisions hereof, any such unenforceability in any jurisdiction shall not

invalidate or render unenforceable such provision in any other jurisdiction. To the extent permitted by applicable law, the parties hereto hereby waive any provision of law now or hereafter in effect which renders any provision hereof unenforceable in any respect.

10.9 Headings. The captions in this Agreement are for convenience of reference only and shall not define or limit any of the terms or provisions hereof.

10.10 Counterparts. This Agreement may be executed in any number of counterparts, and by either party on separate counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

10.11 Attorneys' Fees. If either Seller or Buyer brings suit against the other in connection with this Agreement, the prevailing party shall be entitled to receive from the other party reasonable attorneys' fees and other costs and expenses incurred by such party in connection with such suit regardless of whether such suit is prosecuted to judgment. As used herein, "prevailing party" shall mean, in the case of a claimant, one who is successful in obtaining substantially all of the relief sought, and in the case of a defendant or respondent, one who is successful in denying substantially all of the relief sought by the claimant.

10.12 Show Cause. Buyer and Seller acknowledge that, a Show Cause Order and Hearing Designation Order was released by the FCC on March 19, 1996 (MM Docket 96-47). This Agreement is contingent on the favorable resolution of this matter. Buyer may terminate this Agreement on written notice to Seller at any time in Buyer's sole discretion if it deems the outcome of the Show Cause Order will be unduly protracted or unlikely to be favorably resolved.

IN WITNESS WHEREOF, each of the parties hereto has caused this Agreement to be executed as of the date first written above.

**OAKHILL ECONOMIC DEVELOPMENT
CORP.**

Trish Kuhn
Attest

By *Betty A Daniels*

FRIENDSHIP COMMUNICATIONS, INC.

Trish Kuhn
Attest

By *Michael J. ...*

SCHEDULE 2.1(a)

PERSONAL PROPERTY

INVENTORY**COMPRESSOR**

CBS Audi Max

REMOTE CONTROL

Rust Mod #108-D

(With homemade inner face)

CONSOLES (Boards)

Russco 506S

McMartin B502

Collins 212P-2

OTHER STUDIO EQUIPMENT

Technics M85

CD Player

2 Technics SL-1800 MK2 turn tables

Microphones: 2 Realistic:

33-984

1-Electrovoice 664

ANTENNA

Phelps Dode AC FM-2

30 Ft. Frohn Tower

Approx. 120 ft. Andrew Heliax Transmission Line

AMPLIFIER

GE BT-1B 450 Watts

EXCITER

Collins 831-A2

MODULATION MONITOR

Collins 900 C-2

LIMITERS

Harris M-6631 & M-6543 (Converted for FM)

MISC.

Assure Microphone Mixer

4 Stereo Preamps

EBS Monitor

McMartin EBS-2

SCHEDULE 2.1(b)

FCC LICENSES

(To Be Provided)

SCHEDULE 2.1(c)

LEASES

EXHIBIT 2

EXHIBIT 2

Friendship Communications, Inc. is a nonprofit corporation. Its two directors, Michael Facciani and Mea Facciani are married to each other. Friendship Communicaations, Inc. is the licensee of KWOE-AM, Waterloo, Iowa.

Friendsihp Communications, Inc. will air programming responsive to ascertained needs within the station's service area. Programming will include news, public affairs programming, and PSA's.